

FISCAL NOTE

Bill #: HB0535

Title: Prohibit governmental entities and employees from lobbying

Primary

Sponsor: Bob Davies

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$0	(\$6,000)
State Special Revenue	0	(\$2,000)
Revenue:		
General Fund	\$0	(\$8,000)
Net Impact on General Fund Balance:	\$0	(\$2,000)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. State agencies pay a fee of \$50 per person to the Commissioner of Political Practices to register selected employees as lobbyists. In FY1999, the Commissioner received about \$8,000 from state agencies. The funding of the fees is approximately 75% general fund and 25% state special revenue. If HB535 passes, state employees will not register in FY2001.
2. The bill would prohibit government employees from appearing either in support of, or in opposition to, legislation introduced in the state legislature, unless invited to testify by a legislator. The bill also would prohibit government agencies from requesting legislation.

(continued)

3. The bill would not prohibit government employees from appearing before the legislature to provide information on a particular piece of legislation, so long as no position is taken on the legislation itself.
4. A majority of the time currently spent by government employees on matters related to legislation does not constitute “lobbying” within the meaning of the term as defined by law; rather, it is primarily related to providing information.
5. Section 5 of the bill prohibits state agencies from paying dues to an organization that lobbies the state legislature. A state agency may pay dues to an organization, not because of its lobbying efforts, but for the professional contacts, and information disseminated. For example, the Department of Justice pays dues to the following organizations that engage in lobbying: the Montana Defense Trial Lawyers Association, the Montana Sheriffs and Peace Officers Association, the Montana Association of Chiefs of Police; the Montana Police Protective Association. The fiscal impact of eliminating these dues is not included due to time constraints, but it is generally assumed the amount is minimal.

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$0	(\$8,000)
<u>Funding:</u>		
General Fund (01)	\$0	(\$6,000)
State Special Revenue (02)	<u>0</u>	<u>(2,000)</u>
TOTAL	\$0	(\$8,000)
<u>Revenues:</u>		
General Fund (01)	\$0	(\$8,000)
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	\$0	(\$2,000)
State Special Revenue (02)	0	\$2,000

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The bill also prohibits local governments from engaging in lobbying before the state legislature. Local governments pay about \$2,000 to the Commissioner of Political Practices every biennium to register their employees as lobbyists.

TECHNICAL NOTES:

1. Constitutional questions are raised by the bill’s prohibition against elected officials engaging in lobbying before the state legislature.
2. The bill also prohibits state agencies from promoting or opposing action by federal officials.
3. The Governor’s Office/Office of Budget both request legislation to implement the recommended budget, as do other state agencies.